

UNION GROVE UNION HIGH SCHOOL

3433 South Colony Avenue
Union Grove, WI 53182

David M. Magar
Superintendent

Alan J. Mollerskov
High School Principal

Thomas J. Hermann
Assistant Principal
Activities Director

Kurt Jorgensen
Director of Operations
& Facilities

David Pettit
Athletic Director

District Office
Tel: (262) 878-4427
Fax: (262) 878-3291

High School Office
Tel: (262) 878-2434
Fax: (262) 878-4056

June 9, 2009

RECEIVED

JUN 09 2009

Department of
Public Instruction

Natalie Rew, Auditor
Wisconsin Department of Public Instruction
P.O. Box 7841
125 So. Webster Street
Madison, WI 53707-7841

RE: Qualified School Construction Bond Application

Dear Ms. Rew:

Please accept this letter as one of application for a \$1,018,486 allocation of Qualified School Construction Bonds. The Union Grove Union High School District recognizes and appreciates the federal legislation and the support of the Wisconsin Department of Public Instruction in making this interest free/low interest bond program available to school districts. Accordingly, the Union Grove Union High School District seeks any portion of the \$1,018,486 request that is available to our district.

The District proposes to finance the following eligible project: The project scope is focused on providing enhanced security to students and staff at Union Grove Union High School. Currently, the degree of security provided by our entrance areas is severely inadequate. A new entrance, utilizing the high school office as a security checkpoint, will be constructed. Controls and hardware security upgrades will be provided at all other exterior doors. A lift will also be added for handicapped accessibility.

The cost for the new construction and rehabilitation is estimated at \$998,486. Please refer to the enclosed statement from Eppstein Uhen Architects for a more specific breakdown of the anticipated costs. We also anticipate the need for an additional \$20,000 (2%) to cover related borrowing costs.

The District's project plan will meet the following objectives: A secured entrance area at the high school, together with security upgrades to all other exterior doorways, will help greatly in meeting the objective of providing for a safe and healthful school. Further, by incorporating sustainable design principles into the project, including a high efficiency HVAC system and natural day lighting, the objective of promoting green and healthy schools will also be facilitated.

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The District is currently seeking borrowing authority via a Fund 38 Borrowing Resolution to be formally approved at our June 22, 2009, ✓ school board meeting. A copy of that approved resolution will be forwarded to you immediately following the meeting. In the interim, I have enclosed a copy of the to-be-enacted resolutions, as well as a copy of the Board Minutes from May 11, 2009, which directs the Superintendent to pursue the application of a Qualified School Construction Bond in preparation for proceeding with the afore-referenced project. The estimated construction start date is October 1, 2009.

The District is confident that the project will adhere to the "prevailing wage" requirements of the Davis-Bacon Act. Further, all necessary steps will be taken with our construction manager and project staff to ensure that all reporting requirements are met.

The District's project will fulfill the intended goal of the American Recovery and Reinvestment Act, AARA Stimulus Bill, by creating and maintaining jobs on and near the construction worksite. We also believe that our project meets the longer-term goal of reinvesting in our local community by improving the public infrastructure that serves our citizens.

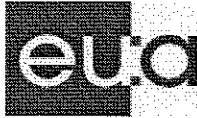
Discussions of program details are currently being undertaken at the School Board and Administration levels, and we are working closely with our financial advisor and bond counsel. We believe our District has met the requirements for participation in the Qualified School Construction Bond program, and your review of our request for an allocation is greatly appreciated.

Please feel free to contact me at 262-878-4427 if additional information or further clarification is needed.

Respectfully,



David. M. Magar
Superintendent



Union Grove High School
Security Renovations
Ball Park Budget
1-Jun-09

Estimated for current construction costs
Add 5% for inflation for each year in the future

Project scope is focused on providing security to students and staff during the school day.
A new entrance utilizing the High school office as a security check point is being added to the north side of the building. Controls and hardware upgrades will be provided at all the other exterior doors. The new addition will incorporate sustainable design principles including an high efficiency HVAC system and natural daylighting.

Building Security Renovation
North Addition

Site development	\$	35,000
New entrance & office includes lift	3,500 \$	612,500
Overall exterior security	\$	150,000
contingency	\$	64,750
other costs	\$	136,236
<i>furniture and equip.</i>		
<i>A/E fees</i>		
<i>Soil and survey reports</i>		
<i>permits/plan review fees</i>		
<i>Asbestos abatement</i>		
<i>Reimbursable expenses</i>		
<i>legal expenses</i>		
<i>Misc. project expenses</i>		
Sub total	\$	998,486

RESOLUTION NO. _____

RESOLUTION DECLARING OFFICIAL INTENT
TO REIMBURSE EXPENDITURES
FROM PROCEEDS OF QUALIFIED TAX CREDIT BONDS

WHEREAS, the Union Grove Union High School District, Racine and Kenosha Counties, Wisconsin (the "District") plans to undertake constructing, rehabilitating and improving public school facilities; and acquiring related and other equipment (the "Project");

WHEREAS, the District plans to take the steps necessary to authorize the issuance of general obligation bonds or promissory notes (collectively, the "General Obligation Securities") to pay the cost of the Project;

WHEREAS, the District intends to apply to the Wisconsin Department of Public Instruction for an allocation of qualified tax credit bonds (the "Tax Credit Bonds") and issue all or a portion of the General Obligation Securities as Tax Credit Bonds;

WHEREAS, if any portion of the costs of the Project are expended prior to the issuance of the Tax Credit Bonds, the School Board of the District deems it to be necessary, desirable, and in the best interests of the District to advance moneys from its funds on hand on an interim basis to pay such portion of the costs of the Project prior to the issuance of the Tax Credit Bonds.

WHEREAS, pursuant to Section 54A(d)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code"), the District may only reimburse itself from proceeds of the Tax Credit Bonds for amounts paid for a qualified purpose;

WHEREAS, only original expenditures paid after the adoption of this Resolution may be reimbursed with the proceeds of the Tax Credit Bonds; and

WHEREAS, the reimbursement must be made not later than 18 months after the date the original expenditure is paid.

NOW, THEREFORE, BE IT RESOLVED by the School Board of the District that:

Section 1. Expenditure of Funds. The District shall make expenditures as needed from its funds on hand to pay the cost of any portion of the Project until proceeds of the Tax Credit Bonds become available.

Section 2. Declaration of Official Intent. The District hereby officially declares its intent pursuant to Section 54A(d)(2)(D) of the Code and as described under Treas. Reg. Section 1.150-2 to reimburse said expenditures with proceeds of the Tax Credit Bonds, the principal amount of which is not expected to exceed \$998,486. The District intends to apply to the Wisconsin Department of Public Instruction for an allocation of Tax Credit Bonds.

Section 3. Unavailability of Long-Term Funds. No funds for payment of the portion of the Project expected to be financed by the Tax Credit Bonds from sources other than the Tax Credit Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District pursuant to its budget or financial policies.

Section 4. Public Availability of Official Intent Resolution. The Resolution shall be made available for public inspection at the office of the District Clerk within 30 days after its approval in compliance with applicable State law governing the availability of records of official acts including Subchapter II of Chapter 19, and shall remain available for public inspection until the Tax Credit Bonds are issued.

Section 5. Applicability of Davis-Bacon Act. The District hereby commits to comply with the prevailing wage requirements of subchapter IV of chapter 31 of title 40, United States Code (commonly referred to as the Davis-Bacon Act) for any portion of the Project to be financed with proceeds of the Tax Credit Bonds.

Section 6. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded June 22, 2009

Diana J. Skewes
District President

ATTEST:

Thomas Maurer
District Clerk